

Message Text

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ORIGIN ARA-02

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FM SECSTATE WASHDC

TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS

USCINCSO

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FOLL SENT ACTION SECSTATE FROM KINGSTON 10 MAY 73 REPEATED TO YOU
QUOTE

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E. O. 11652: N/ A

TAGS: EAID EFIN JM XM

SUBJ: IDB GOVERNOR' S SPEECHES

FOLLOWING ARE KEY HIGHLIGHTS OF KEY SPEECHES TO DATE:

1. CHILE SPEECH BY FINANCE MINISTER FERNANDO
FLORES COVERED USUAL CHILEAN THEMES MORE DEFENSIVELY AND
LESS HARSHLY THAN IN PAST. IN REFERRING TO U. S. POSITION
ON NATIONALIZATION AND COMPENSATION, FLORES ARGUED THAT
THERE HAS NOT BEEN CONFISCATION BUT ONLY RECTIFICATION OF
HISTORICAL INJUSTICE. HE CITED BELLIGERENT ACTION OF
ITT AND KENNECOTT. HE REFERRED TO FOREIGN ECONOMIC BLOCK-
ADE, LACK OF IFI LOANS THESE PAST TWO YEARS, AND NEED TO CHANGE
IDB STRUCTURE TO TAKE INTO ACCOUNT ECONOMIC
PLURALITY IN HEMISPHERE ALONG WITH PLURALITY OF IDEOLOGIES.

2. BRAZIL (GALVEAS) IN SHORT SPEECH EMPHASIZED NEED TO
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INCREASE LENDING LEVEL AND TO EXPAND AREAS OF BANK LENDING SUCH AS TO GIVE MORE EMPHASIS TO INTEGRATED URBAN PROJECTS.

3. ARGENTINA (MARCELO GOWLAND ACOSTA OF CENTRAL BANK) SUGGESTED MANY CHANGES IN BANK STRUCTURE SUCH AS EXPANDED EXPORT FINANCING PROGRAM, ROTATION EVERY TWO YEARS OF THE TOP POSITIONS IN BANK (WHAT HE HAD IN MIND ALTHOUGH UNSTATED WAS SANTOS JOB), SUBSIDIZATION OF INTEREST COSTS ON O. C. LOANS, SECTORAL LOANS, IDB LENDING QUOTAS FOR EACH COUNTRY, ETC. THE MOST INTERESTING POINT WAS ELIMINATION OF FSO LENDING TO RICH COUNTRIES, ASSUMING O. C. LOANS TO THEM CONTAINED INTEREST RATE SUBSIDIES, BUT ALSO HEDGED TO ARGUE THAT IF OTHERS (READ BRAZIL) RECEIVED FSO LOANS, SO SHOULD ARGENTINA.

4. CANADA (ROBERT STANBURY, MINISTER OF NATIONAL REVENUE) MADE A GENERALLY SELF- SERVING SPEECH. THERE WAS PRAISE FOR MEXICO'S DRAFT CHARTER OF ECONOMIC RIGHTS AND DUTIES, AND BRAZIL'S DECISION TO SUPPORT THE AFRICAN DEVELOPMENT BANK. HE PRAISED U. S. FOR CARRYING FSO ALONE UNTIL NOW. CANADA ALSO REFERRED TO DILEMMA BETWEEN RIGHT OF SOVEREIGN GOVERNMENT TO EXERCISE DESIRED CONTROL OVER ECONOMY AND RIGHT INVESTORS TO FAIR AND REASONABLE SAFEGUARDS, BUT THEN ARGUED THAT QUOTE BANK SHOULD BE INSULATED FROM EFFECTS ANY SUCH DIFFERENCES OF VIEW WHICH MUST PROPERLY BE RESOLVED BILATERALLY. UNQUOTE. SPEECH HAD TONE OF SOMETHING FOR EVERYBODY BUT WITH EMPHASIS THAT CANADA WAS STANDING WITH LA COUNTRIES. DE ROULET UNQUOTE ROGERS

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